



REAL PROPERTY ASSESSMENT DIVISION
DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU

TAX MAP KEY				
ZONE	SEC	PLAT	PARCEL	CPR

Land Class: _____

PETITION TO DEDICATE HISTORIC COMMERCIAL REAL PROPERTY

Sec. 8-10.30, ROH 8
(Filing Deadline is September 1)

Property Address _____

The undersigned hereby petitions to dedicate the above described property as a Historic Commercial Property.

1. Name _____
(Print Petitioner's Name)

2. Mailing Address _____
Phone No. _____

3. Number of Historic Buildings _____ Historic Land Area _____ Sq. ft./ Acres

4. A map or plot plan showing the property boundaries, location of the building(s), and the land to be dedicated is attached hereto.

5. The completed maintenance agreement and maintenance plan is attached hereto.

CERTIFICATION BY OWNER

The undersigned shall:

1. ensure that the public is provided reasonable visual access to the historic commercial property.
2. grant the right of entry to the director of budget and fiscal services or his designee to inspect the property.
3. maintain the property in accordance with a maintenance agreement approved by the director.
4. have this document signed by all owners of the property.
5. upon approval by the director, record a copy of the maintenance agreement with the Bureau of Conveyances and/or the Land Court.

Owner	_____	Date	_____
	Print Name	Signature	
Owner	_____	Date	_____
	Print Name	Signature	

**CERTIFICATION MUST BE COMPLETED BY THE DEPT. OF LAND & NATURAL RESOURCES (DLNR)
PRIOR TO FILING THIS PETITION WITH THE REAL PROPERTY ASSESSMENT DIVISION**

CERTIFICATION BY DLNR

The Department of Land and Natural Resources certifies that the property has been placed on the National or the Hawaii Register of Historic Places after January 1, 1977, and qualifies as a historic property.

By _____ Date _____
State Historic Preservation Officer, DLNR, State of Hawaii

FOR CITY AND COUNTY OF HONOLULU USE ONLY

Received By _____ Date _____
(for director of budget and fiscal services)
Dedicated Land Area _____ (sq. ft./acre) Pet. No. _____ Copy No. _____
Effective _____ Tax Year _____

INSTRUCTIONS FOR HISTORIC COMMERCIAL DEDICATION

1. Enter the TMK (Parcel ID) and land classification for the parcel. This information can be found on your Notice of Assessment or by contacting the Real Property Assessment Division.
2. Enter the site address of the property, if any.
3. Enter the petitioner's name, mailing address, and phone number. All communications regarding this petition will be sent to this address. If your mailing address changes, please notify the Real Property Assessment Division in writing.
4. Enter the number of buildings and land area that contributes to the property's status as a qualifying historic property (as determined by the State historic preservation division).
5. Provide a plot plan showing the location of the property and any buildings on the property.
6. Attach the completed maintenance agreement and also the proposed maintenance plan that is subject to approval by the Director of Budget and Fiscal Services.
7. All owners must sign the petition.
8. The State Historic Preservation Officer (DLNR) must certify (signature required) that the property qualifies as a historic property and is on the National or Hawaii Register of Historic Places.
9. Upon approval of your petition as a historic commercial property, you must record a copy of the maintenance agreement (short form is acceptable) at the Bureau of Conveyances or Land Court and provide proof of the recordation to the Property Assessment Division (see address below).
10. The completed petition form, including the maintenance agreement and maintenance plan must be hand delivered on or before September 1, 4:30 p.m., at one of the addresses listed below. If the appeal is mailed, it must be postmarked by the U.S. Postal Service by midnight, September 1. If a receipt of the petition is requested, enclose a self-addressed stamped envelope. The petition form cannot be filed by facsimile transmission.

Real Property Assessment Division
842 Bethel Street, Basement
Honolulu, Hawaii 96813
Telephone: (808) 527-5539 or 527-5510

Real Property Assessment Division
1000 Uluohia Street, #206
Kapolei, Hawaii 96707
Telephone: (808) 768-3169

Note: When the due date for any remittance or document required by any ordinance imposing a tax falls on a Saturday, Sunday, or legal holiday, the remittance shall not be due until the next succeeding day which is not a Saturday, Sunday, or legal holiday. (ROH Section 8-1.16)

ADDITIONAL REAL PROPERTY ASSESSMENT INFORMATION AND FORMS CAN BE FOUND AT:
www.honolulu.gov/rpa

Sec. 8-10.30 Exemption-Historic commercial real property dedicated for preservation.

- (a) An owner of commercial property which has been placed on either the National or the Hawaii Register of Historic Places after January 1, 1977 who wishes to dedicate such property for historic preservation may petition the director to obtain an exemption from real property taxation as provided herein. As used in this section, "commercial property" means properties classified for real property tax purposes as commercial and excludes properties classified for real property tax purposes as hotel and resort or industrial.
- (b) The director shall prescribe the form of the petition. The petition shall be filed with the director by September 1st of any calendar year and shall be approved or disapproved by December 15th of such year. If approved, the exemption shall be effective July 1st of the immediately following tax year.
- (c) The petition shall include a copy of a covenant that has been recorded with the bureau of conveyances or the land court, whichever is applicable. The covenant shall ensure that the public is provided reasonable visual access to the historic commercial real property and that the property is maintained in accordance with a maintenance agreement approved by the director, in consultation with the state historic preservation division, non-profit historic preservation organizations and the director of planning and permitting.
- (d) The director shall review the petition and determine whether the historic commercial landmark shall be granted the real property tax exemption. The director shall consult with the state historic preservation office and non-profit historic preservation organizations in making this determination.
- (e) Upon approval of the petition, 50 percent of the value of that real property or portion thereof that is designated as a historic site shall be exempt from real property taxes.
- (f) The approval of the petition by the director shall constitute a forfeiture on the part of the owner of any right to change the use of the owner's exempted property as specified in the maintenance agreement for a minimum period of ten years. The petition shall be automatically renewable for an unlimited number of additional ten-year periods.
- (g) Upon determining that the owner has failed to observe the restrictions of the covenant, the director shall cancel the exemption retroactive to the date of the dedication, and all differences in the amount of taxes that were paid and those that would have been due but for the exemption allowed by this section shall be payable together with interest at 12 percent per annum from the respective dates that these payments would have been due, provided the provision in this subsection shall not preclude the county from pursuing any other remedy to enforce the covenant on the use of the land.
- (h) An owner applicant may appeal any adverse determination as in the case of an appeal from an assessment.
- (i) The director shall adopt rules pursuant to HRS Chapter 91 as deemed necessary to accomplish the purposes of this section.

**FAQs
City and County of Honolulu (City)
Budget and Fiscal Services
Historic Commercial Property Tax Exemption**

What is the historic commercial property tax exemption?

In 2004, the Mayor approved a bill that enables a property tax rebate of 50% for qualified historic properties that are used for commercial purposes, except for hotel, resort or industrial uses (ROH Sec. 8-10.30).

What is the timeframe for applying for the historic tax exemption?

Petitions for the exemption need to be filed with the Director of Budget and Fiscal Services Department (Director) by September 1 of any calendar year. The Director approves or denies the petitions by December 15 of the same year for an effective date of July 1 of the immediately following tax year.

What are the benefits of participating in the program?

After approval of the dedication, 50 percent of the value of the real property (or portion thereof) designated as historic is exempt from real property taxes.

The program was approved to provide an incentive for property owners to maintain and preserve their historic buildings. The intention is to use the property tax savings to supplement capital maintenance and improvements to the buildings. For the property owner, the benefit is a tax savings and program for reinvesting in the capital needs of the buildings. For the community, the benefit is revitalization of older commercial areas, keeping them vibrant and active, and preservation of historic buildings. For the City, the benefit is active commercial districts that generate opportunities for employment, services and economic development (such as from tenant activity or construction work).

Which properties are eligible for the historic tax exemption?

Properties in the City that are listed on the National or Hawai'i State Register of Historic Places are eligible. Contributing structures in a designated historic district are eligible if they have an individual Tax Map Key number. Contributing buildings are those that are at least 50 years old and that retain the historic features that are significant to the era in which they were built. Non-contributing structures located in a historic district are not eligible. To determine whether a property is eligible, contact the State Historic Preservation Division for the official list of qualifying properties.

See the web site at DLNR for more information:

<http://www.state.hi.us/dlnr/hpd/hpregistr.htm>

Contact information for list of qualifying historic properties

State of Hawaii
State Historic Preservation Division
Department of Land and Natural Resources
601 Kamokila Boulevard, Room 555
Kapolei, Hawaii 96707
(808) 692-8015

What are the conditions of the historic tax exemption?

1. The property owner determines a plan to maintain the historically-significant features of the building following established preservation standards. The preservation maintenance plan is reviewed by the Department of Planning and Permitting, the State Historic Preservation Division and a preservation non-profit organization for concurrence before being sent to the City's Department of Budget and Fiscal Management for final decision. The City determines whether to grant or deny the tax exemption.
2. The property owners and the City sign a contractually-binding agreement that obligates the property owners to follow the preservation maintenance plan for a period of ten years. A short form of the agreement must be recorded against the property.
3. The maintenance agreement is monitored by the City to ensure that the terms are met.

What are the consequences of non-compliance with the conditions of the tax exemption?

If the City determines that the property owner has failed to comply with the terms of the maintenance agreement, the owner is given the opportunity to meet the conditions and make corrections. If that is unsuccessful, the Director may cancel the exemption retroactive to the initial date. The property owner is required to pay back the taxes that were exempted, along with 12% annual interest.

What is the term of the property tax exemption?

The initial tax exemption period is ten years. It is automatically renewable for an unlimited number of additional ten year periods.

What are the elements of the maintenance agreement?

The maintenance agreement is determined on a case-by-case basis for each property in the program and is tailored to the individual building. The intention is to determine an appropriate maintenance plan that will preserve the historic building and keep it in active use, while being flexible enough to allow for changing circumstances. The foundation of the preservation maintenance plan is a description of the historically-significant elements of the building, the appropriate maintenance or repair treatment, and a timeline for the treatments. The maintenance agreement includes a commitment to carry out maintenance and any capital improvements according to the Secretary of the Interior's Standards for Historic Properties, which is the industry standard for rehabilitation, restoration and preservation work. The maintenance agreement will also specify that the public will be provided reasonable visual access to the historic property.

Developing the maintenance plan

Several architectural firms and non-profit organizations are qualified to assist with developing the maintenance plan. Some contacts are:

Historic Hawai'i Foundation
Kiersten Faulkner, AICP
Executive Director
680 Iwilei Road Suite 690
Honolulu, HI 96817
808-523-2900 (tel)
808-523-0800 (fax)
Kiersten@historichawaii.org
www.historichawaii.org

Fung Associates
941-3000
Tonia Moy, Architectural Historian
tonia@funghawaii.com

Mason Architects
536-0556
Glenn Mason, Principal
gm@masonarch.com
Joy Davidson, Preservation Architect
jd@masonarch.com

Who do I contact for more information?

City and County of Honolulu
Budget and Fiscal Services Department
Real Property Assessment Division
Property Technical Office
842 Bethel Street
Honolulu, Hawaii 96813
(808) 527-5502